

**WILLAMETTE INDUSTRIES, INC. SETTLEMENT
FACT SHEET
July 20, 2000**

Background: Willamette Industries, Inc. of Portland, Oregon must pay a civil penalty of \$11.2 million for failure to comply with Clean Air Act (CAA) permitting procedures. The penalty is the largest ever assessed for factory emissions of air pollution. Willamette will spend an additional \$8 million on Supplemental Environmental Projects.

To protect the environment and public health, the settlement requires Willamette to install state-of-the-art pollution control equipment, valued at approximately \$74 million, at 13 of its facilities located in four states.

The Willamette Industries, Inc., settlement is the latest action in EPA's national enforcement effort against wood product manufacturers for violations of the Clean Air Act. EPA or states have already reached settlements with three other companies (Louisiana Pacific, Georgia Pacific and Weyerhaeuser). This action is a natural culmination of the government's investigation of the Wood Products Industry and a continuing effort against recalcitrant violators since a Consent Decree was first lodged against Louisiana-Pacific in 1993.

With today's action, the four largest companies, representing well over half the value of the wood products industry, have been brought into compliance with the major permitting requirements of the Clean Air Act.

Violations:

- The government alleges that Willamette failed to obtain proper Clean Air Act permits.
- The PSD program was designed to prevent deterioration of these clean air areas, and only by being subjected to PSD review, or by taking and abiding by federally enforceable permit limitations, can we guarantee emissions will not have detrimental impact on the air quality in attainment areas.
- Under the law, a company seeking to construct or modify a major facility that emits air pollution must obtain a permit before proceeding. To comply with the permitting procedures, a company must determine the nature of the emissions created by its manufacturing processes and report its findings to state and federal air permitting authorities.

Willamette Facilities Required to Install Pollution Controls:

- C 13 facilities in four states. The facilities are specifically located in: Chester, SC; Emerson and Malvern Ark.; Dodson, Ruston, Zwolle, Lillie, and Simsboro, LA; Bend, Eugene, Foster, Springfield and Albany, Oregon.

Settlement:

- C Civil penalty of \$11.2 million for failure to comply with permitting procedures.
- C The company has agreed to spend a total of \$8 million dollars in extra projects to be shared with South Carolina, Arkansas, and Louisiana. The SEPs to be performed include pollution reduction projects, alternative fuels projects, community sewer and water system improvements, and state parkland donations, and concentrated in the immediate areas where Willamette facilities are located, many of which are economically disadvantaged areas. Four million dollars will be spent for additional pollution control at plants in Oregon and \$4 million dollars will be spent for parkland acquisition (Ark); sewer system improvements (LA) and ethanol fueling stations to encourage fleets to use clean fuels (SC)
- C To protect the environment and public health, the settlement requires Willamette to install state-of-the-art pollution control equipment, valued at approximately \$74 million, at 13 of its facilities located in four states.

Environmental benefits derived from the consent decree:

- Installation of state-of-the-art pollution control equipment at 13 of Willamette's facilities over the next 2 ½ years will mean emission reductions of 17,500 tons of volatile organic compounds (VOCs); 8,100 tons of particulate matter (PM); and 1,020 tons of Carbon Monoxide (CO) over the life of the consent decree (approximately five years).
- C The consent decree also requires the company to conduct multi-media audits at the facilities affected by this settlement, develop and implement parametric monitoring plans, and apply for proper air permits for the facilities currently out of compliance.